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The Congressional Charter of the American National Red Cross: Overview, History, and Analysis

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The Congressional Charter of the American National Red Cross: Overview, History, and Analysis

Summary

In recent months, Congress has begun to review the performance and management of the American National Red Cross (ANRC). This review has been prompted, in part, by questions regarding the performance of the ANRC in response to Hurricane Katrina.

The performance of any not-for-profit corporation is affected by many variables, such as its governance, resources, by-laws, quality of personnel, and its partnerships with other entities. This report examines just one of these variables, the congressional charter of the ANRC. The report provides an overview, history, and analysis of the present charter of the ANRC and its two earlier versions. This focus on the ANRC's charter is justified on two counts. First, the charter of a corporation may be its most fundamental organizational keystone. A charter sets forth a corporation's organizational structure, goals, and the means for governmental oversight of its activities. Second, the charter is the aspect of the ANRC that is most under control of Congress, and some Members have expressed an interest in considering alterations to the charter of the ANRC.

Although much of the charter of the ANRC has remained the same over the past century, the governance structure of the ANRC has undergone significant changes. In 1947, Congress amended the charter to replace the central committee of 18 persons with a board of governors of 50 persons. The composition of this new governance board's membership differed greatly from that of the central committee. Federal representation fell from 33% to 16% of members, while local ANRC chapter representation rose from 33% to 60%. As a result, the governance board of the ANRC is more democratic, but it also reflects less the positions, perspectives, and interests of the government.

The review and analysis raises questions about the provisions of the current charter of the ANRC that Congress may wish to examine. The report will be updated to reflect significant legislative developments.

Contents

Introduction	1
The Charter of the American National Red Cross: Overview and History	3
Analysis	5
Mission of the ANRC	5
The Nature and Powers of the ANRC	6
Oversight of the ANRC	8
ANRC Governance and Coordination with the Federal Government	8
Issues for Congress	12

List of Tables

Table 1. Revenues of the American National Red Cross, 2003	7
Table 2. Side-by-Side Comparison of ANRC Charters	14

The Charter of the American National Red Cross: Overview, History, and Analysis

Introduction

Congressional interest in the activities of the American National Red Cross (ANRC) has been heightened by the major role the ANRC played in providing relief to persons affected by Hurricanes Katrina and Rita. While there have been many positive reports regarding the relief work of the ANRC, there also have been reports of shortcomings in its performance. Questions have been raised about the practicability of the federal government's reliance on a volunteer organization to respond to mass disasters.¹ There have been complaints of racial insensitivity by ANRC volunteers toward disaster victims.² The ANRC has also been criticized for miscounting the number Hurricane Katrina evacuees who were residing in hotels.³ ANRC relief funds, reportedly, were given to persons who did not qualify for aid.⁴

In response, Congress began an examination of the ANRC. The Subcommittee on Oversight of the House Committee on Ways and Means has held a hearing on the response of the ANRC and other charities to the devastation wrought by Hurricane Katrina, while the Senate Committee on Finance has begun a review of ANRC's governance and performance in disaster relief.⁵

¹ U.S. House Committee on Homeland Security Democratic Staff, *Trouble Exposed: Katrina, Rita, and the Red Cross: A Familiar History*, report, Dec. 15, 2005, available at [<http://hsc-democrats.house.gov/NR/rdonlyres/A7010E1F-2D83-4DAB-BE8D-DA0A0611D8A6/0/RedCrossReport.pdf>]; and Editorial, "Re-examining the Red Cross," *New York Times*, Dec. 4, 2005, p. 11. This editorial called for congressional hearings on the Red Cross role in catastrophe response.

² Jacqueline L. Salmon, "Red Cross Bolstering Minority Outreach," *Washington Post*, Dec. 5, 2005, pp. A1, A10.

³ Jacqueline L. Salmon and Spencer S. Hsu, "A Big Cut in Katrina's Hotel Bill," *Washington Post*, Oct. 19, 2005, p. A8.

⁴ Eric Lipton, "Money Flowed to City Spared Worst of Storm," *New York Times*, Nov. 20, 2005, pp. 1, 22; and Jacqueline L. Salmon, "Fraud Alleged at Red Cross Call Centers," *Washington Post*, Dec. 27, 2005, p. A2.

⁵ U.S. Congress, House Committee on Ways and Means, Subcommittee on Oversight, *The Response of Charities to Hurricane Katrina*, hearing, 109th Cong., 1st sess., Dec. 13, 2005; and U.S. Senate Committee on Finance, Chairman Charles Grassley, "Grassley Questions Red Cross Board on Its Practices, Effectiveness," press release, Dec. 29, 2005.

Some Members of Congress have also expressed an interest in the charter of the ANRC⁶ and its possible effects on the management and operations of the organization.⁷ Critics outside the organization also have raised questions about the governance structure of the ANRC.⁸ The ANRC has initiated a review of its governance and is considering means for improving its practices.⁹

The performance of any not-for-profit corporation is affected by many variables, such as its governance, resources, by-laws, quality of personnel, and partnerships with other entities. This report examines just one of these variables, the congressional charter of the ANRC. The report provides a comparative analysis of the present charter of the ANRC and its two earlier versions.

To this end, the report uses a straightforward methodology. First, it provides an overview of what a charter is and a brief history of the charter of the ANRC. Second, the report provides an analysis of the charter as it is today, what the charter says, and how it has been changed over time. To assist in this latter task, a side-by-side comparison of the ANRC's charters — 1900, 1905, and the current charter as codified in 2004 — is provided (**Table 2**).¹⁰ The left column includes the full text of the 1900 charter.¹¹ The central column includes the differences between the 1905 charter and the 1900 charter. Finally, the right column shows the differences between the current charter and its earlier iterations. This side-by-side presentation assists the reader in seeing Congress's major alterations to the various provisions of the charter over time.

⁶ Stephanie Strom, "Senators Press Red Cross for a Full Accounting," *New York Times*, Dec. 30, 2005, p. A17.

⁷ Jacqueline L. Salmon, "Red Cross Leadership at Issue," *Washington Post*, Dec. 30, 2005, p. A4; and U.S. Senate Committee on Finance, "Grassley Questions Red Cross Board on Its Practices, Effectiveness," p. 2.

⁸ Bill Nichols, "Legislators Have Critical Eye on Red Cross," *USA Today*, Jan. 30, 2006, p. 3A; and Ian Wilhelm, "Charity at a Crossroads," *The Chronicle of Philanthropy*, Jan. 12, 2006, p. 32. U.S. Senate Committee on Finance, Chairman Charles Grassley, "Grassley Urges Red Cross to Improve Governance, Respond to Volunteers' Concerns," press release, Feb. 27, 2006.

⁹ Jack McGuire and Bonnie McElveen-Hunter, "Fixing the Red Cross: Unnecessary Roughness," press release, March 3, 2006.

¹⁰ To be clear, ANRC has had two charters. Congress enacted the first ANRC congressional charter in 1900. Congress enacted a new charter in 1905 that repealed the 1900 charter and replaced it with a new version. In 1947, Congress greatly revised the 1905 charter. Since then, Congress has made minor revisions to ANRC's charter.

¹¹ The only omission is that the "incorporators" provision of the 1900 and 1905 charters does not list the dozens of names of the original incorporators. These names were not included as they were not useful to the analysis.

The Charter of the American National Red Cross: Overview and History

A charter is a document issued by the sovereign that legally establishes a corporation and its most basic characteristics, such as its legal purpose, basic governance structure, and its means of public accountability. As such, the charter may be the most fundamental organizational building block for a corporation. Congress has used charters to create a variety of corporate entities, such as banks, government-sponsored enterprises, commercial corporations, venture capital funds, and more.¹²

The ANRC is a somewhat unusual case. Although its charter may be found in Title 36 of the U.S. Code, the organization bears little resemblance to the other congressionally chartered charitable entities found there.¹³ The U.S. Code (36 U.S.C. Subtitle III) classifies the ANRC, and the ANRC alone, as a “treaty obligation organization.”

The ANRC was first chartered by Congress on June 6, 1900 (31 Stat. 277-280), for the purposes of fulfilling some of the duties of the United States under the Geneva Convention of August 22, 1864.¹⁴ This treaty, signed by 30 nations at the time, declared that ambulances and military hospitals and persons attached thereto were to be considered neutral and “protected and respected by belligerents so long as any sick or wounded may be therein” (Article I). Congress also charged the ANRC with serving as the official U.S. disaster relief organization. The ANRC was to

continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities. (31 Stat. 278)

Since 1900, Congress has re-chartered the ANRC once and greatly amended its charter at a later time. In 1905, Congress repealed the charter of 1900 and enacted

¹² CRS Report RS22230, *Congressional or Federal Charters: Overview and Current Issues*, by Kevin R. Kosar.

¹³ Title 36 holds the charters of approximately 100 patriotic, charitable, and historical corporations and commemorative commissions. CRS Report RL30340, *Congressionally Chartered Nonprofit Organizations ('Title 36 Corporations'): What They Are and How Congress Treats Them*, by Ronald C. Moe and Kevin R. Kosar.

¹⁴ While 26 of the 30 nations present at the August 1864 gathering in Geneva, Switzerland signed the treaty on August 22, the United States and three others did not. President Chester A. Arthur signed the treaty on March 1, 1882, and the Senate acceded to it on March 16, 1882 (22 Stat. 940-951). Prior to its federal chartering, ANRC had been chartered under the laws of the District of Columbia in 1881. On the early history of the Red Cross, see Sarah Elizabeth Pickett, *The American National Red Cross: Its Origins, Purposes, and Service* (New York: The Century Co., 1923), pp. 12-14; David H. Burton, *Clara Barton: In Service of Humanity* (Westport, CT: Greenwood Press, 1995), pp. 81-99; and American National Red Cross, *The American National Red Cross: Its Origins and History, As Shown by Official Documents* (Washington: ANRC, 1898).

a new charter in response to complaints regarding ANRC's handling of funds, governance structure, and other problems (33 Stat. 599-602).¹⁵

In 1947, Congress enacted major amendments to the charter of the ANRC (61 Stat. 80-83). These changes were, perhaps, as dramatic as those made in 1905. In particular, Congress made significant alterations to the managerial structure in response to complaints that the ANRC's board was insufficiently "democratic."¹⁶ Since then, Congress has made modest alterations to the ANRC's charter.¹⁷ Thus, the ANRC charter of today is largely the same as it was after the 1947 amendments.

The current charter of the ANRC establishes the basic purposes of the organization, one of which is serving as a disaster relief organization for the United States. The U.S. government and ANRC have inked separate agreements that flesh out the particular responsibilities of the organization in response to disasters. Most recently, the ANRC became a signee to the U.S. Department of Homeland Security's (DHS's) National Response Plan (NRP). The NRP provides a framework for providing a federal governmental response to "national incidents." The other participants to the NRP include cabinet and federal agencies — such as the Department of Defense and the National Transportation Safety Board — as well as an umbrella group, the National Voluntary Organizations Active in Disaster (NVOAD).¹⁸ The ANRC has responsibility under the NRP to serve as a primary agency to lead and coordinate efforts to provide mass care, housing, and human services after disasters that require federal assistance.¹⁹ The ANRC is the only non-governmental entity designated as a primary support agency in the NRP.

The ANRC also serves as a "support agency" for other NRP "emergency support functions" (ESFs), including the following: ESF #3 ("public works and engineering"), ESF #5 ("emergency management"), ESF #8 ("public health and medical services"), ESF #13 (agriculture and natural resources"), ESF #14 ("long-

¹⁵ The organization had been run, in great part, by its founder, Clara Barton, who barnstormed to raise money for the organization, traveled to disaster areas, and dispensed funds. At the close of the 19th century, her leadership was criticized and challenged by another person, with the result being the eruption of a schism and internecine battle for control over the organization. Foster Rhea Dulles, *The American Red Cross: A History* (New York: Harper and Brothers; reprint, Westport, CT: Greenwood Press, Publishers 1971), pp. 19-80.

¹⁶ Ibid., pp. 531-539.

¹⁷ See American National Red Cross, "The Federal Charter of the American Red Cross," pp. 5-7, available at [<http://www.redcross.org/museum/history/charter.asp>]. The most recent codification (Jan. 19, 2004) of the ANRC charter may be accessed at [<http://uscode.house.gov/download/pls/36C3001.txt>].

¹⁸ NVOAD coordinates efforts by various private organizations in response to disasters. Under the previous "Federal Response Plan," ANRC was the sole non-governmental entity assigned duties.

¹⁹ The Federal Emergency Management Agency (FEMA) of DHS shares responsibility with ANRC as a primary agency. See U.S. Department of Homeland Security, *National Response Plan* (Washington: GPO, Dec. 2004), ESF #6-5, available at [http://www.dhs.gov/dhspublic/interweb/assetlibrary/NRP_FullText.pdf].

term community recovery and mitigation”), and ESF #15 (“external affairs”).²⁰ In addition, a “statement of understanding” between the ANRC and the Federal Emergency Management Agency (FEMA) enumerates the specific responsibilities of the ANRC in “disaster mitigation, preparedness, response, and recovery operations in the event of a natural, man-made, or technological disaster.”²¹

Analysis

Mission of the ANRC

As set forth in its current and previous charters, the mission of the ANRC has remained the same since it was first chartered by Congress in 1900.²² As originally envisioned by its founders in the early 1860s, Red Cross societies in each nation would execute the humane objectives of the Geneva Convention of August 22, 1864.²³ In short, each nation would have a Red Cross society that would supply medical care and relief supplies to its soldiers when they were wounded in battle. (At this time, nations’ armies had very small medical teams which tended to be unable to adequately care for the large numbers of casualties of battles.)

The mission of the Red Cross societies became bifurcated in 1884. At the international meeting of Red Cross societies it was agreed that the societies should provide relief services in times of peace as well as war.²⁴ Thus originated the ANRC’s and other nations’ Red Cross societies’ role in disaster relief.²⁵

Congress included these two duties in the ANRC’s first charter. It also included another duty — to serve as a “medium of communication between the people of the United States of America and their armies.” The origins of this provision are unclear. Congress may have been encouraged to assign this task to the ANRC because Clara Barton, the ANRC’s founder, had devised and operated the Office of Correspondence with Friends of Missing Men of the United States Army at the close of the Civil War.

²⁰ U.S. Department of Homeland Security, *National Response Plan*, p. ESF-vi.

²¹ *Statement of Understanding Between the Federal Emergency Management Agency and the American National Red Cross*, Oct. 1, 1997, p. 2. An undated letter from the director of FEMA’s Recovery Division to the senior vice-president of preparedness and response of ANRC extended this SOU until a new memorandum of understanding is completed.

²² See the “preamble” and “purposes” sections of **Table 2**.

²³ Pickett, *The American National Red Cross*, pp. 4-12.

²⁴ Burton, *Clara Barton*, pp. 110-111.

²⁵ Congress may have been encouraged to give the ANRC this duty in light of the organization’s relief efforts in response to the Michigan forest fires (1881) and the flooding of the Mississippi and Ohio Rivers (1882 and 1884). Burton, *Clara Barton*, pp. 94, 101-109.

This office, and later the ANRC, assisted displaced individuals to contact one another.²⁶

The Nature and Powers of the ANRC

The charter of the ANRC provides it with the standard powers of a body corporate — to sue and be sued, to have and hold real estate, to adopt a seal, and so forth.²⁷ As the sole charitable entity designated by charter to carry out battle-relief duties under the Geneva Conventions, no other entity may represent itself as the U.S. representative of the International Federation of Red Cross and Red Crescent Societies (IFRCRCS).²⁸ Furthermore, the ANRC remains the lone charity with a congressional charter to provide relief.

Before it received its first charter in 1900, the ANRC was a private charitable corporation. Once it was chartered, though, its nature became more ambiguous, occupying that area between the private and public sectors. The ANRC is not a government agency and it is not staffed by government employees. Nor does it depend upon annual appropriations. It is unclear how much of the ANRC's annual revenue is derived from government appropriations and contracts. The ANRC's annual report of 2005 lists revenues of \$2.29 billion from "products and services," \$.21 billion from "investment incomes and other [revenues]," and \$1.40 billion in "contributions."²⁹ The most recent tax return available of the ANRC lists \$60 million in government contributions but also reports \$2.3 billion in "program service revenue," a category of revenue that includes "government fees and contracts" (see **Table 1**).³⁰

²⁶ For example, after Hurricane Katrina struck in August, 2005, the ANRC set up a "Family Links Registry."

²⁷ See the "incorporators" and "powers" sections of **Table 2**.

²⁸ On the relationship of the ANRC to the IFRCRCS, see [http://www.redcross.org/faq/0,1096,0_382_,00.html#3023]. For Congressional debate on other entities using a red cross as a symbol, see U.S. Congress, *Congressional Record*, 58th Cong, 3rd sess., Dec. 19, 1904, pp. 404.

²⁹ ANRC, *We Can't Do It Without You: Annual Report of 2005*, available at [http://www.redcross.org/pubs/car05/Annual_Report.PDF], p. 20.

³⁰ The ANRC's 2004 tax returns and 2005 consolidated financial statements are available at [<http://www.redcross.org/pubs/car04/TxFm990.PDF>] and [<http://www.redcross.org/pubs/car05/2005CFS.pdf>]. The ANRC reports that the Biomedical Services Program of ANRC accounted for \$2.2 billion of the \$3.1 billion in annual program services expenses. ANRC, *We Can't Do it Without You*, p. 21. The Biomedical Services program of ANRC "supplies almost half of the nation's blood supply by working with more than 4 million donors and 3,000 hospitals. [The ANRC] rel[ies] on the generous gifts volunteer blood donors provide us. In order for the Red Cross to make that gift available to patients in need, [the ANRC] must collect, store, test and process the blood. There are significant costs associated with each of these processes, and in order for us to continue making one person's donation available to someone else who needs it, we must charge for the testing and processing of the blood to recoup these costs." ANRC, "Biomedical FAQs," available at [http://www.redcross.org/faq/0,1096,0_379_,00.html#456].

Table 1. Revenues of the American National Red Cross, 2003

Direct public support	\$393,218,246
Indirect public support	\$163,835,709
Government contributions (grants)	\$60,642,338
Program service revenue including government fees and contracts	\$2,311,696,293
Interest on savings and temporary cash investments	\$135,756
Dividends and interest on securities	\$54,223,306
Net rental income	\$2,743,056
Gross amount from sales of assets other than inventory	\$19,750,642
Special events and activities	\$28,285,242
Other revenue	\$31,523,440
Total	\$3,065,541,356

Source: American National Red Cross Consolidated IRS Form 990, 2003.

Yet, the ANRC assuredly has governmental attributes. It has treaty-related obligations (an attribute that usually is lodged with the sovereign authority of a state). The charter of 1905 included representatives of the State, War, Navy, Treasury, and Justice Departments as incorporators of the ANRC. The ANRC's current and previous charters have required it to provide Congress with annual reports of its operations and expenditures, a mandate typically placed upon governmental entities but not private charitable organizations. ANRC also has received, in rare instances, government appropriations.³¹ Finally, since 1905, the ANRC's charters have provided the President with the power to appoint members of the board ("central committee" and "board of governors," respectively) — another attribute that is typical of governmental entities.³²

Thus, except in its earliest manifestation, the ANRC has had a number of characteristics which have led it to be deemed a quasi-governmental entity.³³ This ambiguous public-private nature has led to legal conflicts requiring adjudication by the courts.³⁴

³¹ For example, P.L. 108-324 appropriated \$70,000,000 to the American National Red Cross for "reimbursement of disaster relief and recovery expenditures and emergency services associated with Hurricanes Charley, Frances, Ivan, and Jeanne." Less than half of this amount was actually accepted by the ANRC.

³² See the "central committee" and "board of governors" sections of **Table 2**.

³³ On quasi-governmental entities, see CRS Report RL30533, *The Quasi Government: Hybrid Organizations with Both Government and Private Sector Legal Characteristics*, by Ronald C. Moe and Kevin R. Kosar.

³⁴ For example, see Wesley A. Sturges, "The Legal Status of the Red Cross," *Michigan Law Review*, vol. 56, 1957, pp. 1-32; and Michael T. Maloan, "Federal Jurisdiction and Practice: The American National Red Cross and the Interpretation of 'Sue and Be Sued' Clauses," *Oklahoma Law Review*, vol. 45, 1992, pp. 739-760.

Oversight of the ANRC

The ANRC charters have provided limited oversight powers to the federal government. All of the charters have stated that Congress retains the power “to repeal, alter or amend” ANRC’s charter. (This would require the enactment of legislation.) ANRC’s charters have endowed the ANRC with “perpetual succession,” which means that the corporation does not have an expiration date and need not return to Congress to seek renewal of its charter.³⁵

The 1900 ANRC charter required the organization to “transmit to Congress a full, complete, and itemized report of all receipts and expenditures of whatever kind, and of its proceedings during the preceding year.” The ANRC also was obliged to provide reports to the Secretaries of War and the Navy and to respond to queries from the Secretary of State. The 1905 charter and the 1947 revisions simplified the reporting requirements; the ANRC was to submit an annual report to the Secretary of Defense, who would audit it and transmit the report to Congress.³⁶

However, because the charters do not authorize annual appropriations for the ANRC, Congress’s power to use “the purse” to encourage the ANRC’s compliance is limited. Moreover, the ANRC is not listed as a “government corporation” in the Government Corporation Control Act (31 U.S.C. 9101-9110). Enacted in 1945, this law sets the general ground rules for the operations and public accountability of government corporations (e.g., Tennessee Valley Authority, Millennium Challenge Corporation, Export-Import Bank, etc.)³⁷

ANRC Governance and Coordination with the Federal Government

The current and past charters of the ANRC have permitted the organization to set its own by-laws,³⁸ through which the corporation may erect its managerial and administrative structures.³⁹ The 1900 charter of the ANRC set up no governance

³⁵ See the “powers,” “amendment,” and “reservation of right to amend” sections of **Table 2**.

³⁶ Under House and Senate rules, the House International Relations Committee and the Senate Foreign Relations and Health, Education, Labor, and Pensions committees have explicit legislative jurisdiction over the ANRC. See U.S. Congress, *Constitution, Jefferson’s Manual, and Rules of the House of Representatives, One Hundred Ninth Congress*, H.Doc. 108-241, 108th Cong., 2nd sess. (Washington: GPO, 2005), Rule X; and U.S. Congress, *Senate Manual Containing the Standing Rules, Orders, Laws, and Resolutions Affecting the Business of the United State Senate*, S. Doc. 107-1, 107th Cong., 1st sess. (Washington: GPO, 2002), Rule 25.

³⁷ See CRS Report RL30365, *Federal Government Corporations: An Overview*, by Ronald C. Moe and Kevin R. Kosar.

³⁸ See the “powers” section of **Table 2**.

³⁹ Thus, one does not find the powers of corporate officers, such as the chief executive and chief financial officers listed in the charter. These positions and others are devised by the ANRC.

body for the organization. At the ANRC's urging, Congress remedied this oversight in the 1905 charter, and once again in the 1947 amendments thereto.⁴⁰

The 1905 charter erected two governing bodies — a “central committee” and an “executive committee.” The central committee of the ANRC was composed of 18 persons, six of whom were appointed by the President. One of these six was required to be named the chairman of the committee, and five were representatives of the Departments of State, War, Navy, the Treasury, and Justice.

Another six members were appointed by the 55 incorporators of the ANRC.⁴¹ Herein was a source of congressional influence over the corporation, because the incorporators included a number of then current and former Members of Congress, such as Representative John S. Williams (D-MS) and Senator John G. Carlisle (D-KY).⁴² During the House's consideration of the bill (S. 5704) to issue the 1905 ANRC charter, the following colloquy took place.

Rep. Joseph S. Sherley (D-KY): There has been a great deal of trouble in the past in regard to the management of the funds of [ANRC]. It is going to handle a great deal of money. It does business all over the world

Rep. Sereno E. Payne (R-NY): I do not see that any power is given over these funds except to the corporation which is to exist here in the city of Washington The real power is in the incorporators, and I see that a number of gentlemen who are Members of this House are named as such⁴³

The final six members of the ANRC central committee were to be selected by representatives from the state and territorial Red Cross societies. Thus, this arrangement provided both the executive and legislative branches of the federal government, along with local chapters, some power over the governance of ANRC.

The powers of the corporation rested with this central committee, which the charter of 1905 empowered to establish an executive committee that could use these powers on a day-to-day basis. The executive committee would be composed of seven persons, five of whom constituted a quorum.

While the small size of the executive committee encouraged close working relationships between the persons operating the ANRC on a day-to-day basis, the central committee provided a larger yet manageable forum in which to consider important questions or to devise responses to major disasters. This arrangement created a managerial structure that was well integrated with the executive branch. Representatives of the President were one-third of the members of the central committee and could serve on the executive committee. As members of the central committee and occupants of the chairmanship, executive branch representatives could exercise considerable influence over the activities of the corporation generally

⁴⁰ See the “central committee” and “board of governors” sections of **Table 2**. On ANRC's urging for a new charter, see Dulles, *The American Red Cross*, pp. 73-81.

⁴¹ These 55 incorporators included employees of ANRC, like Clara Barton, and eminent citizens of the day, such as Marshall Field and William H. Taft.

⁴² Senator Redfield Proctor (R-VT), one of the incorporators, previously had worked closely with the ANRC to devise the new charter. See Dulles, *The American Red Cross*, pp. 73-81.

⁴³ U.S. Congress, *Congressional Record*, 58th Cong., 3rd sess., Dec. 19, 1904, p. 406.

and in its day-to-day operations. As representatives from the departments that may be involved in war-making and disaster response, they could provide expertise and access materials needed for these activities. These executive members were pooled with members selected by the incorporators, who, as noted above, included selected Members of Congress.

Under this arrangement, the ANRC performed admirably in at least one major catastrophe.⁴⁴ In 1927, the Mississippi River flooded 26,000 square miles of land in seven states inhabited by some 930,000 persons. The federal government was able to respond quickly, in great part, due to the existence of this shared leadership of the ANRC. President Calvin Coolidge formed an ad hoc committee of the secretaries of the Departments of the Treasury, War, and Navy, and the members of the Red Cross Central Committee. Coolidge appointed the Secretary of Commerce, Herbert Hoover, as head of this committee. The ANRC central committee quickly appointed one person (James L. Fieser, chairman) to represent it and wield its powers to respond to the disaster. Thus, the full powers of the federal government and the American National Red Cross had been pooled in the hands of two persons in just a few hours. This helped make possible a well-coordinated and expeditious response.⁴⁵

The 1947 amendments to the ANRC's charter considerably altered the previous managerial arrangement. The response was prompted by complaints that the management of the ANRC was insufficiently attentive to the preferences of the nearly 500 local Red Cross chapters, which collected from donors a considerable portion of ANRC's funds and whose members were on the front line in disaster and war relief duties. The ANRC created a commission in March of 1946 that produced a report recommending that the central committee of the corporation be made more "democratic."⁴⁶

The ANRC drafted a proposal for amending its charter, which became S. 591 (80th Cong., 1st sess). Congress held a hearing, where witnesses spoke of the need to give the local chapters greater influence over the operations of the ANRC.⁴⁷ On May 8, 1947, Congress enacted the amendments (P.L. 80-47).

Under the new arrangement, the central committee was replaced by a 50-person "board of governors." The President would appoint eight of the governors, the chapters would elect 30 members at the annual ANRC convention, and these 38

⁴⁴ Discussion of the federal and ANRC response to the flood of 1927 is drawn from CRS Report RL33126, *Disaster Response and Appointment of a Recovery Czar: The Executive Branch's Response to the Flood of 1927*, by Kevin R. Kosar.

⁴⁵ A similar though purely governmental example of the pooling of federal power can be found in the presidential commission created in response to the Alaska earthquake of 1964. See Federal Reconstruction and Development Planning Commission for Alaska, *Response to Disaster: Alaskan Earthquake, March 27, 1964* (Washington, GPO: 1964).

⁴⁶ Dulles, *The American Red Cross*, pp. 531-538.

⁴⁷ U.S. Congress, "Amending the Act of January 5, 1905, to Incorporate the American National Red Cross," Report No. 337, 80th Cong. 1st sess., May 6, 1947, *House Reports*, vol. 2 (Washington, GPO: 1947); U.S. Congress, "Amending the Act of January 5, 1905, to Incorporate the American National Red Cross," Report No. 38, 80th Cong. 1st sess., Feb. 26, 1947, *Senate Reports*, vol. 1, (Washington, GPO: 1947); U.S. Congress, Committee on Foreign Relations, *American National Red Cross*, hearings, 80th Cong., 1st sess., Feb. 25, 1947 (Washington: GPO, 1947); and U.S. Congress, *Congressional Record*, March 3 and May 6, 1946, pp. 1609-1610, and 4601-4602.

would then elect 12 “members-at-large” who are to represent “the national interests which the corporation serves.”

The board of governors is empowered to appoint an “executive committee” of 11 persons to exercise the powers of the board when it is not in session. The amendments of 1947 also provided the board of governors with the power to decide how many votes each chapter is permitted to cast at the annual meetings — a determination to be based on the sizes of the memberships and populations served by individual chapters — and obligated it to reconsider such allocations of voting power every five years.

The effect of this new form of governance would appear to be considerable. In simple terms, the board of governors is almost three times larger than the central committee was. A larger governance board may dramatically increase the number of voices that may be heard at governance meetings. More local representatives on the board also, presumably, may increase the board diversity and bring into deliberations more local-specific knowledge.⁴⁸

While a larger and possibly more diverse board may provide for a wider consideration of different viewpoints, it may have its shortcomings. For one, the board may suffer from the problem of “too many cooks in the kitchen.”⁴⁹ The probability of the board making coherent decisions and plans for the corporation may decrease as the number of participants increases. Indeed, a board of this size for a federal or federally affiliated entity may be without precedent.⁵⁰ Moreover, the duty of the board of governors is to direct and oversee the operations of this large corporation. A board of this size may not well comport with these objectives if board members view it as their duty to act as delegates for the interests of their local chapters.⁵¹ Former chief executive officers of the ANRC have complained of unhelpful board intrusion in day-to-day operations.⁵²

Furthermore, the composition of the board has gone from being having a significant executive branch presence (i.e., 33% of members) to a minor one (16%). This change in composition, then, has shifted the board from being one largely

⁴⁸ The change in the method of election also may have increased the probability of the election of a more diverse board because the 12 at-large members are chosen by representatives of chapters from around the nation. Under the 1905 charter as enacted, the incorporators tended to be leading lights in society who resided in a few locales. This homogeneity may have produced choices for board members who were not necessarily as diverse as those chosen by the current method.

⁴⁹ “How the Red Cross Should Move Forward: Advice From Experts,” *Chronicle of Philanthropy*, Jan. 12, 2006, p. 34. The activities of The Nature Conservancy, a not-for-profit corporation, have come under congressional scrutiny in the past few years. In order to improve the governance and performance of the corporation, The Nature Conservancy is adopting a number of reforms, including the reduction of the size of its board from 40 to 18. See Ira M. Milstein, “Progress Report on The Nature Conservancy,” memorandum, April 19, 2005, available at [http://www.nature.org/aboutus/files/milstein_progress.pdf].

⁵⁰ For example, the charter of the quasi-governmental entity, Fannie Mae, provides for 18 members, five of whom are appointed by the President.

⁵¹ Jerry Mitchell, “Representation in Government Boards and Commissions,” *Public Administration Review*, vol. 57, no.2, March/April 1997.

⁵² Ian Wilhelm, “Charity at a Crossroads,” *Chronicle of Philanthropy*, Jan. 12, 2006, p. 32.

staffed by persons responsive to the President and Congress to one that may be mostly influenced by representatives of local chapters.⁵³ (The 1905 charter gave local chapters 33% of the membership of the central committee; the current charter gives them 60% of the membership.) This diminished role in the deliberations may give presidential appointees the perception that they have little role in the direction and operation of the ANRC, which may account for reports of low turnout and activity by executive branch representatives.⁵⁴

Issues for Congress

The above review and analysis raises many questions about the provisions of the current charter of the ANRC:

- The ANRC has remained the only charitable entity chartered by Congress to carry out war and disaster relief related activities. Should other charitable entities also be chartered to help carry out any of these responsibilities?
- Should the ANRC have a charter that provides it with perpetual succession? Or should the charter be replaced with a long-term contract that requires ANRC to reach performance goals?
- Does a 50-person board of governors mostly staffed with persons chosen by local chapters comport with efficient and effective operation of a corporation with national and international duties?
- Is the present means for selecting the members of the executive committee — election by the 50-person board of governors — the optimal way to choose officers to oversee the work of the ANRC's corporate officers?
- Does the selection of at-large board members by other members of the board of governors produce effective and accountable leadership?
- Should Congress and the members of the President's cabinet have a larger presence on the board of governors and the executive committee, as they did before the 1947 revisions to ANRC's charter?
- Does the current charter adequately provide a forum in which representatives from diverse executive departments can work with ANRC staff to provide a coordinated response to disaster?

⁵³ Ibid.

⁵⁴ Grassley, "Grassley Urges Red Cross to Improve Governance, Respond to Volunteers' Concerns," p. 3. If presidentially appointed board members turn over rapidly, federal influence over board decisions may be diminished. Such members may be viewed by longer-serving board members as inexperienced and soon-to-leave.

- Should the federal government's representatives on the governance boards be required to have experience in relief activities? Should they be civil servants with long terms?
- Should the charter of the ANRC state the specific oversight duties of either the board of governors or the executive committee vis-a-vis the ANRC's corporate officers?
- Should the board of governors or the executive committee have any operational responsibilities, especially in the event of a large disaster?
- Does the ANRC need a board of governors to whom it is responsible? Should the board of governors serve only as an advisory body? Should the ANRC be headed by an administrator who reports directly to an executive department?⁵⁵

These are just some of the questions that Congress may wish to consider as it continues its oversight activities.

⁵⁵ The governance model of the Saint Lawrence Seaway Corporation (33 U.S.C. 981) includes an administrator, who has full responsibilities to run the corporation and an advisory board. The administrator reports directly to the Secretary of the Department of Transportation. The House Transportation and Infrastructure and Senate Commerce, Science and Transportation Committees oversee the corporation's activities.

Table 2. Side-by-Side Comparison of ANRC Charters

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>American National Red Cross, incorporated. Preamble.</p> <p>“Whereas on the twenty-second of August, eighteen hundred and sixty-four, at Geneva, Switzerland, plenipotentiaries respectively representing Italy, Baden Belgium, Denmark, Spain, Portugal, France, Prussia, Saxony, and Wurtemberg, and the Federal Council of Switzerland agreed upon ten articles of a treaty or convention for the purpose of mitigating the evils inseparable from war; of suppressing the needless severity and ameliorating the condition of soldiers wounded on the field of battle; and particularly providing, among other things, in effect, that persons employed in hospitals, and in affording relief to the sick and wounded, and supplies for this purpose, shall be deemed neutral and entitled to protection; and that a distinctive and uniform flag shall be adopted for hospitals and ambulances, and convoys of sick and wounded, and an arm badge for individuals neutralized; and</p> <p>“Whereas said treaty has been ratified by all of said nations, and by others subsequently, to the number of forty-three or more, including the United States of America; and</p>	<p>American National Red Cross, reincorporated. Preamble.</p> <p>Identical except as noted below.</p> <p>Does not include the text “of suppressing the needless severity and”</p> <p>Uses term “according” instead of “affording.”</p> <p>Identical.</p>	<p>Not included.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>“Whereas a permanent organization is an agency needed in every nation to carry out the purposes of said treaty, and especially to secure supplies and to execute the humane objects contemplated by said treaty, with the power to adopt and use the distinctive flag and arm badge specified by said treaty in article seven, on which shall be the sign of Red Cross, for the purposes of cooperating with the “Comite International de Secours aux Militaires Blesses” (International Committee of Relief for the Wounded in War); and</p> <p>“Whereas, in accordance with the requirements and customs of said international body, such an association, adopting and using said insignia, was formed in the city of Washington, District of Columbia, in July, eighteen hundred and eighty-one, known as “The American National Association of the Red Cross,” and reincorporated April seventeenth, eighteen hundred and ninety-three, under the laws of the District of Columbia; and</p> <p>“Whereas it is believed that the importance of the work demands a reincorporation by the Congress of the United States: Now, therefore,”</p>	<p>Identical except that it includes this additional text at the beginning of the paragraph: “Whereas the International Conference of Geneva of eighteen hundred and sixty-three recommended ‘that there exist in every country a committee whose mission consists in cooperating in times of war with the hospital service of the armies by all means in power;’ and....”</p> <p>Identical except for punctuation.</p> <p>Identical except that it also includes the following text at the end of the paragraph: “reincorporated by Act of Congress in June, nineteen hundred; and”</p> <p>“Whereas it is believed that the importance of the work demands a repeal of the present charter and a reincorporation of the society under Government supervision: Now, therefore,”</p>	

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Incorporators.</p> <p>“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Clara Barton, George Kennan, Julian B. Hubbell [...] and their associates and successors, are hereby created a body corporate and politic in the District of Columbia.</p> <p>Name of the corporation.</p> <p>Powers.</p> <p>“Sec. 2. That the name of this corporation shall be “The American National Red Cross,” and by that name it shall have perpetual succession, with the power to sue and be sued in courts of law and equity within the jurisdiction of the United States; to have and to hold such real and personal estate as shall be convenient and necessary to carry out the purposes of this corporation hereinafter set forth, such real estate to be limited to such quantity as may be necessary for officials use of office buildings; to adopt a seal and the same to alter and destroy at pleasure;</p>	<p>Incorporators.</p> <p>Similar provision except that many of the named incorporators are different and include “five other persons to be named by the President of the United States, one to be chosen from each of the Departments of State, War, Navy, Treasury, and Justice.”</p> <p>Name of the corporation.</p> <p>Powers.</p> <p>Identical except as noted below.</p> <p>Uses term “advisable” instead of “necessary” and adds text to permit the ANRC to “accept bequests.” Does not include text “such real estate to be limited to such quantity as may be necessary for officials use of office buildings.”</p>	<p>Sec. 300101. Organization.</p> <p>“(a) Federal Charter. — The American National Red Cross (in this chapter, the ‘corporation’) is a body corporate and politic in the District of Columbia.</p> <p>“(b) Name. — The name of the corporation is ‘The American National Red Cross’.”</p> <p>“(c) Perpetual Existence. — Except as otherwise provided, the corporation has perpetual existence.”</p> <p>Sec. 300105. Powers.</p> <p>See Sec. 300101(b) above for declaration of name of the corporation.</p> <p>“(a) General. — The corporation may —</p> <ol style="list-style-type: none"> (1) adopt bylaws and regulations; (2) adopt, alter, and destroy a seal; (3) own and dispose of property to carry out the purposes of the corporation; (4) accept gifts, devises, and bequests of property to carry out the purposes of the corporation; (5) sue and be sued in courts of law and equity, State or Federal, within the jurisdiction of the United States; and (6) do any other act necessary to carry out this chapter and promote the purposes of the corporation. <p>“(b) Designation. — The corporation is designated as the organization authorized to act in matters of relief under the treaties of Geneva, August 22, 1864, July 27, 1929, and August 12, 1949.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>“and to have the right to have and to use, in carrying out its purposes hereinafter designated, as an emblem and a badge, a Greek red cross on a white ground, as the same has been described in the treaty of Geneva, August twenty-second, eighteen hundred and sixty-four, and adopted by the several nations acceding thereto; to ordain and establish by-laws and regulations not inconsistent with laws of the United States of America or any State thereof, and generally to do all such acts and things as may be necessary to carry into effect the provisions of this Act and promote the purposes of said organization; and the corporation is hereby created and designated as the organization which is authorized to act in matters of relief under said treaty. In accordance with article seven, of the treaty, the delivery of the brassard allowed for individuals neutralized in time of war shall be left to military authority.”</p>	<p>Identical except as noted below.</p> <p>Includes the following text after the word “regulations”: “(including the establishment of regulations for the election of associates and successors)”.</p>	<p>Sec. 300106. Emblem, badge, and brassard. “(a) Emblem and Badge. — In carrying out its purposes under this chapter, the corporation may have and use, as an emblem and badge, a Greek red cross on a white ground, as described in the treaties of Geneva, August 22, 1864, July 27, 1929, and August 12, 1949, and adopted by the nations acceding to those treaties.”</p>
<p>Purposes.</p> <p>“Sec. 3. That the purposes of this corporation are and shall be —</p>	<p>Purposes.</p> <p>Identical.</p>	<p>Sec. 300102. Purposes.</p> <p>Identical.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>“First. To furnish volunteer aid to the sick and wounded of armies in time of war, in accordance with the spirit and conditions of the conference of Geneva of October, eighteen hundred and sixty-three, and also of the treaty of the Red Cross, or the treaty of Geneva of August twenty-second, eighteen hundred and sixty four, to which the United States of America gave its adhesion on March first, eighteen hundred and eighty-two.</p>	<p>Identical.</p>	<p>“The purposes of the corporation are — (1) to provide volunteer aid in time of war to the sick and wounded of the Armed Forces, in accordance with the spirit and conditions of — (A) the conference of Geneva of October 1863; (B) the treaties of the Red Cross, or the treaties of Geneva, August 22, 1864, July 27, 1929, and August 12, 1949, to which the United States of America has given its adhesion; and (C) any other treaty, convention, or protocol similar in purpose to which the United States of America has given or may give its adhesion;</p>
<p>“Second. And for said purposes to perform all such duties devolved upon a national society by each nation which has acceded to said treaty.</p>	<p>Identical.</p>	<p>Similar provision but replaces the text “said treaty” with “any of those treaties, conventions, or protocols.”</p>
<p>“Third. To succeed to all the rights and property which have been hitherto held and to all duties which have heretofore been performed by the American National Red Cross as a corporation duly organized and existing under the laws of the United States relating to the District of Columbia, which organization is hereby dissolved.</p>	<p>After the word “corporation,” the charter replaces the previous text with “duly incorporated by Act of Congress June sixth, nineteen hundred, which Act is hereby repealed and the organization created thereby is hereby dissolved.”</p>	<p>Not included.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>“Fourth. To act in matters of voluntary relief and in accordance with the military and naval authorities as a medium of communication between the people of the United States of America and their armies, and to act in such matters between similar national societies of other governments through the “Comite International de Secours” and the Government and the people and the armies of the United States of America.</p> <p>“Fifth. And to continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fires, floods, and other great national calamities.</p> <p>“Sixth. And to devise and carry on measures for preventing the same, and generally to promote measures of humanity and the welfare of mankind.”</p>	<p>Uses text “accord” instead of “accordance.”</p> <p>Uses the text “and the Army and Navy” instead of “armies.”</p> <p>Identical except that it includes text “and to devise and carry on measures for preventing the same” at the end of this sentence.</p> <p>Not included because it was partially merged into the fifth purpose (see above).</p>	<p>Reverts to use of the text “accord.” Uses text “military authorities” instead of “military and naval authorities.”</p> <p>Uses text “these matters” instead of “such matters.” Uses text “International Committee of the Red Cross” instead of “Comite International de Secours.” Uses text “Armed Forces” instead of “armies.”</p> <p>Uses text “to carry out a system of national and international relief in time of peace, and to apply that system in mitigating the suffering caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry out measures for preventing those calamities.”</p> <p>Not included because it was merged into the above text.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Not included.</p>	<p>See section on “central committee” below.</p>	<p>Sec. 300103. Membership and chapters.</p> <p>“(a) Membership. — Membership in the corporation is open to all the people of the United States and its territories and possessions, on payment of an amount specified in the bylaws.</p> <p>“(b) Chapters. —</p> <p>“(1) The chapters of the corporation are the local units of the corporation. The board of governors shall prescribe regulations related to —</p> <p>“(A) granting charters to the chapters and revoking those charters;</p> <p>“(B) the territorial jurisdiction of the chapters;</p> <p>“(C) the relationship of the chapters to the corporation; and</p> <p>“(D) compliance by the chapters with the policies and regulations of the corporation.</p> <p>“(2) The regulations shall require that each chapter adhere to the democratic principles of election specified in the bylaws in electing the governing body of the chapter and selecting delegates to the national convention of the corporation.”</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Use of Insignia, etc. Forbidden. Penalty.</p> <p>“Sec. 4. That from and after the passage of this Act it shall be unlawful for any person within the jurisdiction of the United States to falsely and fraudulently hold himself out as, or represent or pretend himself to be a member of or an agent for the American National Red Cross for the purposes of soliciting, collecting, or receiving money or material; or for any person to wear or display the sign of the red cross, or any insignia colored in imitation thereof, for the fraudulent purpose of inducing the belief that he is a member or an agent for the American National Red Cross.”</p> <p>Not Included.</p> <p>“If any person violates the provisions of this section he shall be guilty of a misdemeanor, and shall be liable to a fine of not less than one or not more than five hundred dollars, or imprisonment for a term not exceeding one year, or both, for each and every offense. The fine so collected shall be paid to the American National Red Cross. The appointment of the chief medical officer shall not be made without the approval in writing of the Secretary of War.”</p>	<p>Use of Insignia, etc. Forbidden. Penalty.</p> <p>Nearly identical.</p> <p>Adds the text, “Nor shall it be lawful for any person or corporation, other than the Red Cross of America, not now lawfully entitled to use the sign of the Red Cross, hereafter to use any such sign or any insignia colored in imitation thereof for the purposes of trade or as an advertisement to induce the sale of any article whatsoever.”</p> <p>Identical.</p> <p>Does not include text “The appointment of the chief medical officer shall not be made without the approval in writing of the Secretary of War.”</p>	<p>Not included.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Not included.</p>	<p>Central Committee. Duties. Election of members. Vacancies. Executive committee. Meetings. Quorum. Voting by proxy forbidden.</p> <p>“Sec. 5. That the governing body of the said American National Red Cross shall consist, in the first instance, of a central committee numbering eighteen persons, to be appointed in the manner following, namely: Six by the incorporators herein named and twelve by the President of the United States, one of whom shall be designated by the President to act as chairman. It shall be the duty of the central committee to organize with as little delay as possible State and Territorial societies, including the District of Columbia, under such rules as the said committee may prescribe. When six or more State or Territorial societies have been formed, thereafter the central committee shall be composed as follows: Six to be appointed by the incorporators, six by the representatives of the State and Territorial societies at the annual meeting of the incorporators and societies, and six by the President of the United States, one of whom shall be designated the chairman and one each to be named by him from the Departments of State, War, Navy, Treasury, and Justice.</p>	<p>Sec. 300104. Board of governors.</p> <p>“(a) Board of Governors. —</p> <p>“(1) The board of governors is the governing body of the corporation with all powers of governing and managing the corporation. The board has 50 members. The governors shall be appointed or elected in the following manner:</p> <p>“(A) The President shall appoint eight governors, one of whom the President shall designate to act as the principal officer of the corporation with the title and functions provided in the bylaws. The other governors appointed by the President shall be officials of departments and agencies of the United States Government, whose positions and interests qualify them to contribute to carrying out the programs and purposes of the corporation. At least one, but not more than three, of those officials shall be selected from the Armed Forces.</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
	<p>“The first six members of the central committee elected by the incorporators at the first annual meeting, and the first six members of the central committee elected by the state and territorial delegates, shall when elected select by lot from their number two members to serve one year, two members to serve two years, and two members to serve three years, and each subsequent election of members shall be for a period of three years or until their successors are duly elected and qualify. The six members of the central committee appointed by the President at the annual meeting shall serve for one year.</p> <p>“The President shall fill as soon as may be any vacancy that may occur by death, resignation, or otherwise in the chairmanship or in the membership of the central committee appointed by him. And any vacancy that may occur in the six members of the central committee herein provided to be appointed by the incorporators or in the six to be appointed by the State societies shall be filled by temporary appointments to be made by the remaining members of the six in which the vacancy or vacancies may occur, such appointees to serve until the next annual meeting.</p>	<p>“(B) The chapters shall elect 30 governors at the national convention under procedures for nomination and election that ensure equitable representation of all chapters, with regard to geographical considerations, the size of the chapters, and the size of the populations served by the chapters.</p> <p>“(C) The board shall elect 12 governors as members-at-large. Those governors shall be individuals who are representative of the national interests that the corporation serves, and with which it is desirable that the corporation have close association.</p> <p>“(2) One-third of the members elected to the board shall be elected at each national convention, and take office at that time or as soon as practicable after the convention.</p> <p>“(b) Term of Office and Vacancies. — (1) The term of office of each governor is 3 years. However, the term of office of a governor appointed by the President (except the principal officer of the corporation) expires if, before the end of the 3-year term, the governor retires from the official position held at the time of appointment as a governor. (2) The President shall fill as soon as practicable a vacancy in the office of the principal officer of the corporation or in the position of another governor appointed by the President. The board shall make a temporary appointment to fill a vacancy occurring in an elected position on the board. An individual appointed by the board to fill a vacancy serves until the next national convention.”</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Not included.</p>	<p>“The central committee shall have the power to appoint from its own members an executive committee of seven persons, five of whom shall be a quorum, who, when the central committee is not in session, shall have and exercise all powers of the central committee.</p> <p>“The Secretary of War shall within thirty days after the passage of this Act call a meeting at a time and a place to be designated by him in the Washington of the incorporators hereunder, giving at least thirty days notice thereof in one or more newspapers, and the annual meeting of said incorporators, their associates and successors, shall thereafter be held in said city on the first Tuesday after the first Monday in December, the first of said meetings to be held in December, nineteen hundred and five. Fifteen members shall constitute a quorum at any annual or special meeting.</p> <p>“Voting by proxy shall not be allowed at any meeting of the incorporators, annual or special, nor at any meeting of State or Territorial societies organized under the provisions of this charter.”</p>	<p>“(c) Executive Committee. — The board may —</p> <p>(1) appoint, from its own members, an executive committee of at least 11 individuals to exercise the powers of the board when the board is not in session; and (2) appoint and remove, or provide for the appointment and removal of, officers and employees of the corporation, except the principal officer of the corporation.”</p> <p>Sec. 300107. Annual meeting. “The annual meeting of the corporation is the national convention of delegates of the chapters. The national convention shall be held annually on a date and at a place specified by the board of governors. In matters requiring a vote at the national convention, each chapter is entitled to at least one vote. The board shall determine on an equitable basis the number of votes that each chapter is entitled to cast, taking into consideration the size of the membership of the chapters and of the populations served by the chapters. The board shall review the allocation of votes at least every 5 years.”</p> <p>Sec. 300104 (d). “(d) Voting by Proxy. — Voting by proxy is not allowed at any meeting of the board, at the national convention, or at any meeting of a chapter. However, the board may allow the election of governors by proxy at the national convention if the board believes a national emergency makes attendance at the national convention impossible.”</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Not included.</p>	<p>Not included.</p>	<p>Sec. 300108. Buildings.</p> <p>“(a) Ownership. — The United States Government shall retain ownership of the corporation’s permanent headquarters, comprised of buildings erected on square 172 in the District of Columbia, including —</p> <p>“(1) the memorial building to commemorate the service and sacrifice of the women of the United States, North and South, during the Civil War, erected for the use of the corporation;</p> <p>“(2) the memorial building to commemorate the service and sacrifice of the patriotic women of the United States, its territories and possessions, and the District of Columbia during World War I, erected for the use of the corporation; and</p> <p>“(3) the permanent building erected for the use of the corporation in connection with its work in cooperation with the Government.</p> <p>“(b) Maintenance and Expenses. — Those buildings shall remain under the supervision of the Administrator of General Services. However, the corporation shall care for and maintain the buildings without expense to the Government.”</p>
<p>Not included.</p>	<p>Not included.</p>	<p>Sec. 300109. Endowment fund.</p> <p>“The endowment fund of the corporation shall be kept and invested under the management and control of a board of nine trustees elected by the board of governors. The board of governors shall prescribe regulations on terms and tenure of office, accountability, and expenses of the board of trustees.”</p>

Charter of 1900 (31 Stat. 277-280)	Charter of 1905 (33 Stat. 599-602)	Current Charter (36 U.S.C. 300101-11)
<p>Reports. Amendment.</p> <p>“Sec. 5. That the said American National Red Cross shall, on the first day of January of each year, make and transmit to Congress a full, complete, and itemized report of all receipts and expenditures of whatever kind, and of its proceedings during the preceding year, and shall also give such information concerning its transactions and affairs as the Secretary of State may from time to time require, and, in respect of all business and proceedings in which it may be concerned in connection with the War and Navy Departments of the Government, shall make reports to the Secretary of War and to the Secretary of the Navy, respectively.”</p> <p>“Sec. 6. That Congress shall have the right to repeal, alter, or amend this Act at any time.</p> <p>“Approved, June 6, 1900.”</p> <p>See Sec. 6 above.</p>	<p>Reports.</p> <p>“Sec. 6. That the said American National Red Cross shall on the first day of January of each year make and transmit to the Secretary of War a report of its proceedings for the preceding year, including a full, complete, and itemized report of all receipts and expenditures of whatever kind, which report shall be duly audited by the War Department, and a copy of said report shall be transmitted to Congress by the War Department.”</p> <p>Identical provision at Sec. 7 below.</p> <p>“Approved, January 5, 1905.”</p> <p>Amendment.</p> <p>Sec. 7. Identical to Sec. 6 of the charter of 1900.</p>	<p>Sec. 300110. Annual report and audit.</p> <p>“(a) Submission of Report. — As soon as practicable after July 1 of each year, the corporation shall submit a report to the Secretary of Defense on the activities of the corporation during the fiscal year ending June 30, including a complete, itemized report of all receipts and expenditures.</p> <p>“(b) Auditing of Report and Submission to Congress. — The Secretary shall audit the report and submit a copy of the audited report to Congress.</p> <p>“(c) Payment of Audit Expenses. — The corporation shall reimburse the Secretary each year for auditing its accounts. The amount paid shall be deposited in the Treasury of the United States as a miscellaneous receipt.”</p> <p>Sec. 300111. Reservation of right to amend or repeal.</p> <p>“Congress reserves the right to amend or repeal the provisions of this chapter.”</p> <p>Not included.</p> <p>See Sec. 300111 above.</p>